National Training for Counselors and Mentors



Funding Education Beyond High School Academic Year 2017–2018



Middle School Parents



Workshop Topics

- Definition of financial aid
- College costs
- Expected family contribution, or EFC
- Definition of financial need
- Types of financial aid
- Sources of financial aid



Workshop Topics

- Applying for financial aid
- Federal financial aid programs
- FAFSA4caster
- Financial aid options
- Resources
- Next steps



Definition of Financial Aid

 Any money from outside of the family that pays postsecondary (college) expenses



College Costs

- College can be expensive, but worth the cost
 - A sound investment in your child's future
- Costs include more than just tuition
 - room and board, books, transportation, personal expenses, etc.



College Costs

- Costs vary by type of college
 - Community colleges are generally less expensive than fouryear schools
 - Private colleges can be more expensive than public colleges
- Look at costs over a child's entire postsecondary education
 - Four to six years total



Expected Family Contribution (EFC)

- Amount family can reasonably be expected to contribute, but not what family will pay to the college
- EFC remains the same regardless of what college the student attends



Expected Family Contribution (EFC)

- Calculated using a federal form and formula
- Two components
 - Parent contribution
 - Student contribution



Definition of Financial Need

 Difference between college COST OF ATTENDANCE and EFC

Will vary by college

 Amount of financial need determines the aid a student will receive



Types of Financial Aid

- Scholarships
- Grants
- Loans
- Work-Study



Types of Financial Aid - Scholarships

- Awarded on the basis of merit or unique characteristic, or application
 - Institutional Scholarships
 - Non-institutional scholarships
- Does not have to be paid back



Types of Financial Aid - Grants

- Awarded on the basis of financial need
- Need-based aid
- Does not have to be paid back



Types of Financial Aid - Loans

- Self-help aid versus gift aid (grants & scholarships)
- Must be paid back, usually after the student finishes school
- Several different types
- Student loans are a reasonable form of aid
 - Borrow only amount needed
 - Consider federal loans before private loans
 - Loans are an investment



Types of Financial Aid – Work-Study

- Self-help/need based aid/money earned while attending school to cover college expenses
- Ideally related to student's field of study on or off campus
- Financial aid office has a "Work-Study Coordinator"
- Students need to follow up with the financial aid office about work-study positions as early as possible



Sources of Financial Aid

- Federal government
- States
- Colleges
- Private sources



Sources of Financial Aid – Federal Government

- Largest source of financial aid
- Awarded mainly on the basis of financial need
- Apply every year using standard form



Sources of Financial Aid - States

- Offer both merit-based and need-based aid
- Usually have residency requirements
- May have service requirements
- May have loan repayment programs

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Sources of Financial Aid – Colleges

- Varies widely from college to college
- Offer both merit-based and need-based aid
- May be offered as part of the admissions process



Sources of Financial Aid – Private Sources

- Churches, civic organizations, employers
- Varying award amounts and application procedures
- Small awards add up



Application for Financial Aid

- Complete the FAFSA every year
- Free Application for Federal Student Aid, or FAFSA
 - Collects demographic and financial information
 - Data used to calculate the EFC



Application for Financial Aid

 Information from the FAFSA may also be used by states, colleges, and private sources to award aid

Ask colleges if any other forms are required



Federal Financial Aid Programs – Federal Grant Programs

- Federal Pell Grant
- Teacher Education Assistance for College and Higher Education (TEACH) Grant
- Federal Supplemental Educational Opportunity Grant, or FSEOG
- Iraq and Afghanistan Service Grant



Federal Financial Aid Programs – Federal Loan Programs

- Federal Perkins Loan
 - Campus-Based Aid
- Federal Direct Stafford Student Loans
 - Subsidized and unsubsidized
 - Borrowed by students
- PLUS Loans
 - Borrowed by parents and graduate students



Federal Financial Aid Programs – Federal Work-Study Program

Federal Work-Study

- Provides part-time jobs for students with financial need, allowing them to earn money to help pay education expenses
- Another option of need-based aid awarded to students



FAFSA4Caster

- Online tool developed by U.S. Department of Education to help families prepare financially for college
- Estimates eligibility for federal student aid
- Allows you to include non-federal aid
- Available on the FAFSA.gov homepage under the "Thinking About College?" section:

https://fafsa.ed.gov/FAFSA/app/f4cForm



Financial Aid

- Start early searching for funding for college
- Find scholarships that match your child's academic interests, hobbies, and unique characteristics
- Don't pay for scholarship searches
- Be wary of promised results
- Report fraud



Next Steps

- Begin researching financial aid options
- Start saving
- Encourage your child to take college prep classes
- Encourage your child to participate in extracurricular activities
- Help your child develop strong study skills
- Encourage your child to develop leadership skills
- Help your child start exploring careers



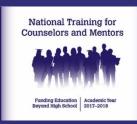
Resources

- My Future, My Way: How to Go, How to Pay available at StudentAid.gov/Resources
- College Preparation Checklist, available at StudentAid.gov/Resources
- Saving Early = Saving Smart available at StudentAid.gov/Resources
- Online version of NASFAA's Cash for College available at <u>www.nasfaa.org/AnnualPubs/cashforcollege.pdf</u>
- Mapping Your Future at www.mappingyourfuture.org/MiddleHighSchool



Questions/Discussion





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